

City of Estherville/AFSCME Council 61 (Police)

2002-2003
CEO 251
SECTOR 1

In the Matter of)
)
CITY OF ESTHERVILLE, IOWA,)
employer)
)
And)
)
AFSCME COUNCIL 61, union,)
representing police officers)
)

Report of the Fact-finder

Case: CEO #251/Sector 1

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Procedures

The Undersigned was selected as Fact-finder in the present matter through the processes of the Iowa Public Employment Relations Board. A Hearing was held on March 4, 2003 in the City Council chambers of City Hall in Estherville, Iowa, commencing at 10 a.m. The sole issue at impasse before the Fact-finder is police officer wages for 2003.

The City was represented by Steven D. Woodley, City Administrator; the Union by Danny Homan, Union Representative.

Employer's Position

The City's final offer on police wages was an increase of 1.4 percent, to the following

scale:	Patrolman, start	\$13.10
	After one year	\$14.72
	After three years	\$15.89
	Detective	\$16.60
	Sergeant	\$17.27
	Captain	\$17.93

The Employer supports its wage proposal with a variety of facts and contentions, of which the most important may be quickly summarized. (1) Estherville and surrounding Emmet County are in long-term decline, with population falling 21 and 27 percent respectively since their peaks in 1970. (2) Much of the decline in non-Estherville Emmet County population has involved retirees moving into Estherville, which makes the 1.4% 2003 Social Security adjustment a relevant comparison. (3) Estherville's property tax levy is already 16% above the median for a sample of 33 Iowa cities of roughly Estherville's size. (4) The City has ratified an agreement with its public works employees, providing for a 2.25% wage increase, far below the Union's 4% final offer. (5) To award the police more than the public works employees would destabilize the City's relationship with the latter. (6) Costs to the City under the Municipal Fire and Police Retirement System of Iowa are projected to increase by \$12,770 on July 1, 2003, yielding a 3.48% increase in police labor costs before any wage adjustment. (7) For a sample of 33 cities (union and non-union) across the state of Iowa, of which Estherville has the median population, the average Estherville police officer and detective wage rates are above the median levels of pay.

Union's Position

The Union's final position on wages for 2003 is to propose a 4 percent increase, resulting in the following scale:

Patrolman, start	\$13.44
After one year	\$15.10
After three years	\$16.30
Detective	\$17.02

Sergeant	\$17.71
Captain	\$18.39

The central bulwark of the Union's case is a series of wage comparability analyses, focussing on Estherville's position relative to thirty other small—but all unionized---Iowa cities. For the key patrolman position, this table gives the flavor of the argument.

ESTHERVILLE TOP PATROLMAN WAGE IN COMPARISON
WITH 15 SMALLER AND 15 LARGER CITIES

	Current	July 1, 2003	
		Union's Offer	City's Offer
Estherville Top Patrolman	\$15.67	\$16.30	\$15.89
Average in 15 smaller cities	\$15.72	\$16.56	\$16.56
Amount below average	.05	.26	.67
Percent below average	.3	1.6	4.2
Average in 15 larger cities	\$16.44	\$17.29	\$17.29
Amount below average	.77	.99	1.40
Percent below average	4.9	6.1	8.8
Average in 30 Cities	\$16.08	\$16.92	\$16.92
Amount below average	.41	.62	1.03
Percent blow average	2.6	3.8	6.5

From numerous exhibits like this, the Union contends that a settlement at their final position still leaves them below the average for the 30 comparable cities, and even below the average of the 15 cities smaller than Estherville. The Employer's final offer makes them dramatically worse off.

In terms of benefits, the Union notes that the public works employees obtained some longevity improvements, so that the schedule of longevity pay for public works which lies beneath that for police up to 20 years service, eventually surpasses that for police.

Analysis

Historically, common practice in public sector interest arbitration has been to look externally for wage comparabilities, but internally for benefits comparability. Usually, the Union and the Employer—as in this case—offer differing lists of comparable cities, so the Fact-finder or Arbitrator must start with resolution on the proper list. In this case, it seems to the Fact-finder that the Union probably has it right, at least in part, but has stopped short of one key aspect of comparability. The effects of unionization are complex (does, for example, a union covering many small units across a region “trade off” wages for a strong grievance procedure?), so that it is most likely that a list of comparables should consist entirely of union-represented police units. This is the part the Union has right and the Employer, wrong.

But it is possible to pursue the comparability analysis further than either Party has done. The City has stressed the long-term decline of Estherville and the resulting rise in property tax

levies per thousand dollars of assessed valuation. The Fact-finder is of the opinion that a quick look at more closely comparable comparables may be of value. Let us take a look at those cities in each of the two groups of 15 cities which, like Estherville, experienced a drop in population from the 1990 Census to the 2000 Census (data from Union Exhibit "Population Table"). From the group of cities smaller than Estherville, top patrol rates average \$16.16 for the four cities losing population (Vinton, Algona, Maquoketa, Red Oak). From the group of cities larger than Estherville, the top patrol rate averaged \$16.39 in the four cities losing population (Atlantic, Creston, Charles City, Clear Lake). These figures can be compared with the top patrol average for each of the two 15-city groups: \$16.16 vs. \$16.56, \$16.39 vs. \$17.29. The average top patrol rate for all 8 population-losing small cities is \$16.28 compared with \$16.92 for the group as a whole. The data points are few, but strongly suggest that growing and declining small cities belong in different "wage contours."

Since the population projections (at least for the County) continue to forecast declines (City Exh. 7) and since one of the results of decline is that your city becomes smaller, it is possible that the most appropriate comparison group is the smaller, declining cities.

The case for a wage increase more modest than asked by the Union receives some further support from the Employer's desire that wage changes not be distorted internally between the two union groups: police and public works employees. At the same time, a modest differential over public works employees 2.25 percent wage increase may be justified as an offset to the inequity newly created at the upper end of the longevity scale.

RECOMMENDATION

Putting it all together, the Fact-finder concludes that the facts in the Estherville situation would support a police wage scale increase of 2.5 percent for 2003, resulting in the following

scale:	Patrolman, start	\$13.24
	After one year	\$14.88
	After three years	\$16.06
	Detective	\$16.80
	Sergeant	\$17.46
	Captain	\$18.12.

Minneapolis, Minnesota

March 13, 2003

James G. Scoville, Fact-finder.

CERTIFICATE OF SERVICE

I certify that on the 14th day of MARCH, 20 03, I served the foregoing Report of Fact Finder upon each of the parties to this matter by (_____ personally delivering) (✓ mailing) a copy to them at their respective addresses as shown below:

Mr Danny Homan
3000 Isabella St.
Sioux City, IA 51103

Mr Steven Wootky
PO Box 417
Estherville, IA 51334

I further certify that on the 14th day of MARCH, 20 03, I will submit this Report for filing by (_____ personally delivering) (✓ mailing) it to the Iowa Public Employment Relations Board, 514 East Locust, Suite 202, Des Moines, IA 50309.

James G. Scoville
JAMES G. SCOVILLE Fact-Finder
(Print name)

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